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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2022/2023

DFA5054 – FINANCIAL ACCOUNTING

(All Sections / Groups)

3 JULY 2023
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 6 pages with 4 questions.
2. Write your answers in the answer booklet provided.
3. Answer ALL questions.

QUESTION 1

Adrian opened his own advertising and web design business on 1 April 2023. Below are the charts of accounts for Adrian Advertising and Web Services provided by Adrian:

Petrol and Parking	Cash
Adrian, Capital	Salaries expense
Supplies	Office equipment
Accounts receivable	Adrian, Drawings
Service revenue	Accounts payable
Utilities	Printing and stationery

Adrian assigned a part-time accounts clerk to record all business activities that occurred in April 2023; in which was described below:

Date	Details of the business activities
April 1	Adrian invested RM10,000 cash and brought in his personal office equipment worth RM2,400 into the business
1	Hired a part time accounts clerk and started working immediately. His wages will be computed at the end of the month.
5	Adrian purchased additional office equipment worth RM3,000 and paid RM2,000 cash. As for the remaining balance will be on account.
8	Cash purchased on supplies cost RM1,200 and is kept for future use.
10	Billed customer RM2,500 on website advertising design performed.
15	Paid and settle the amount outstanding on the transaction incurred on April 5.
18	Received cash RM500 from the transaction on April 10.
21	Adrian withdrew RM600 from the business for his personal expenses.
28	Received utility bills for April 2023 amounted to RM895.
30	Paid RM3,000 cash consists of 10% on petrol and parking, 5% on printing and stationery and the remaining balance on salaries includes part time accounts clerk.

Required

Assume you are the part time accounts clerk hired and based on your understanding of accounting,

- (a) For each business activity that occurred, determine and state the total amount that either increase (+), decrease (-) or has no effect (NE) on assets, liabilities and owner's equity using the table below. Draw the table in the answer sheet.

Date	Asset RM	Liabilities RM	Owner's Equity RM
<i>Example April 1</i>	+12,400	NE	+12,400

Continued...

April 1			
5			
8			
10			
15			
18			
21			
28			
30			

(Note: If the business activity is not a business transaction, do state "N/A" in each column)
(13.5 marks)

- (b) Prepare the adjusting entries for Adrian Advertising and Web Services based on the extra information shown that occurred on 30 April 2023:

- i. The total supplies used in April were computed at RM450.
- ii. An amount of RM1,560 was billed to a customer dated on 26 April 2023 was found in the drawer and was not recorded in the accounts book.
- iii. Received an email from a supplier attached with a bill on the purchase of printing and stationery amounted to RM156 dated on 29 April 2023 was not recorded into the accounts book and Adrian planned to settle the payment in full on May.
- iv. Depreciation charged at a rate of 10% per annum on office equipment is to be recorded at the end of each month. Depreciation was computed based on the total costs of the office equipment at the end of April 2023.
- v. Received cash amounted to RM800 from a customer as an advance payment for a web design that will be performed on early May 2023.

(10.5 marks)

- (c) Based on the answer in (b), name any **TWO (2)** new accounts that were created due to adjustments and required to be added to the charts of accounts. (1 mark)

(Total: 25 marks)

Continued...

QUESTION 2**Part A**

Selected are some of the transactions incurred in the fourth quarter from 1 October 2022 until 31 December 2022 for Forbes Bus Cleaning and Repair Services.

Date	Details of the transactions
2022	
Oct 2	Billed customer on repair services performed on 1 October amounted to RM2,150.
10	Purchased an equipment at RM4,800 and paid RM3,000 in cash. The remaining balance will be paid in December 2022.
Nov 8	Received full payment from debtors on transaction incurred on 2 October.
20	Forbes withdrew RM3,000 from the business and used it to purchase a new laptop for his son.
Dec 6	Forbes invested RM5,000 cash into the business.
15	Paid to settle the amount due from transaction incurred on 10 October.
30	The accrued expenses incurred in December but haven't paid include cleaning at RM500 and utilities at RM435.

Required

- (a) Based on the description above, journalise all transactions incurred in the fourth quarter year ending on 31 December 2022. (16 marks)
- (b) Post all entries related to cash for the fourth quarter period. Given the opening balance for cash was debit RM4,068 on 1 October 2022. (3 marks)

Part B

Chan & Goh Plastics Partnership is a partnership business that supplies and delivers plastic containers for general use to wholesalers. Below are the findings listed by the company's accounts executive after matching the company's cash book record with the bank statement from TGV Bank for July 2022.

- i. On 31 July 2022, the cash balance as per book was RM12,989.25 meanwhile the balance as per bank statement was RM14,010.
- ii. Deposit in transit was RM3,348.
- iii. The outstanding cheques totalling RM1,479.75 have not been clear yet.
- iv. A NSF cheque amounted RM2,080 was from a cheque received from one of the debtors due to an insufficient amount.
- v. A RM5,040 note, 2 months with 10% per annum was collected by the bank and credited into the account. As a result, a collection fee of RM15 was charged by the bank as per statement.
- vi. A cheque deposit was overstated by RM100 in the company's cash book.

Continued...

One of the partners, Mr. Chan was not clear about bank reconciliation and asked you to prepare a complete bank reconciliation for Chan & Goh Plastics Partnership.

Required

Prepare the bank reconciliation as at 31 July 2022.

(6 marks)

(Total: 25 marks)

QUESTION 3

Given are the list of a year's adjusted account balances up to 31 May 2023 for RV Express Berhad, a company that provides transportation services and rents out vehicles to all its customers located at Kluang, Johor:

Accounts	Balance RM	Accounts	Balance RM
Share Capital	150,000	Transportation Service Revenue	198,000
Food and Drinks Expenses	16,890	Petrol and Lubricants Expenses	55,100
Accounts Receivables*	23,560	Retained Earnings	73,524
Salaries and Allowance	48,000	Bank	155,900
Accum. Deprn. – Motor Vehicles	162,800	Accounts Payable	13,200
Equipment	32,000	Motor Vehicles	338,000
Postage and Stamps Expenses	6,020	Insurance Expenses	30,000
Repair and Maintenance Expenses	35,798	Rental Income	70,000
Loan Payable^	96,000	Tolls and Parking	4,456
Depreciation Expenses	37,000	Accum. Deprn. – Equipment	19,200

Note: * The account receivables are valued at net.

^The loan payable is payable within the next 12 months.

Required

- Prepare the closing entries for RV Express Berhad if the company closes its accounts on 31 May 2023. (14 marks)
- Based on your answer in (a), prepare the post-closing trial balance as at 31 May 2023. (6 marks)
- Compute the current ratios based on the information provided. (Note: Answer in 2 decimals)
 - Current ratio (2.5 marks)
 - Return on Assets if the total assets as at 31 May 2022 was RM332,540. (2 marks)

Continued...

- (d) Based on your answer in (c), if the average current ratio and return on assets in the same industry was 1.5: 1 and 8.92%, state whether RV Express Berhad performed better or otherwise in managing its assets management. (0.5 marks)

(Total: 25 marks)

QUESTION 4

Part A

Zi-Tech Wholesales Sdn Bhd is a company that sells various types of imported electric cookware ranging from rice cookers to electric pan fryers. On 1 March 2023, the company introduced a new product known as U-Pot, a non-stick electrical multi cooker and set a credit term of 2/15,n/60 and applied FOB destination targeting retailers to buy the product. Besides that, the company offered free shipping to all sales incurred in March 2023 as part of promoting the sales of U-Pot.

The following are the records of the transaction involving U-Pot incurred in March 2023.

Date	Descriptions of the transaction
2023 Mar 1	Purchased 100 units of U-Pot @ RM35 each on account from Tilus Cookware Factory with the term n/20 days and agreed with the terms in FOB shipping. The party involved was required to pay RM200 as shipping fees.
5	Received goods ordered on 1 March. 3 units of U-Pot were returned due to damages and the vendor agreed to deduct them from the amount billed to the company.
13	Sold 80 units to Ranzo Shopping Mall at RM60 each and received a cheque on the same day. No shipping fee was charged due to promotion period.
19	Paid to Tilus Cookware Factory and settled all amount outstanding.
27	Received full settlement from Ranzo Shopping Mall through online banking.
30	Prepared a sales quotation to Jaya Supermarket on 100 units of U-Pot at RM59 each. The quotation has not been confirmed yet.

Required

Based on the records provided, journalise all transactions relate to U-Pot incurred in the month of March 2023 using perpetual inventory system. (16 marks)

Continued...

Part B

Below are the Statement of Profit or Loss for Century Hardware Wholesales Berhad for two years:

Century Hardware Wholesales Berhad Statement of Profit or Loss for the years ended 31 December		
	2022 RM	2021 RM
Net sales	640,000	560,000
Cost of goods sold	230,400	224,000
Gross profit	409,600	336,000
Operating expenses		
Administrative expenses	140,800	156,800
Selling expenses	64,000	84,000
Income from operations	204,800	95,200
Other income		
Profit from disposal of property, plant and equipment	12,800	-
Other expenses		
Interest expense	32,000	33,600
Net profit	185,600	61,600

Required

Prepare the vertical analysis on the Statement of Profit or Loss for the year 2021 and 2022.

(9 marks)

(Total: 25 marks)

End of Paper